

Maria C. Andrade-Stern

Senior Contract Administrator

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April 30, 2003

Ms. Celeste Fulgham
Regional Contracting Officer
United States Agency for International Development/South Africa
Sancardia Building, 9th Floor
524 Church Street
Arcadia, Pretoria 0007, South Africa

RE: Contract No. LAG-I-00-99-00036-00, Task Order No. 800
UI Project 06967-002, South Africa Access to Housing Finance for Lower Income Households
Quarterly Task Order Progress and Cost Report, January to March 2003

Dear Ms. Fulgham:

Please find enclosed the Quarterly Task Order Progress and Cost Report, January to March 2003, South Africa Access to Housing Finance for Lower Income Households as required under Section F.12 of the above referenced contract.

Please direct any technical questions to Ms. Mary Tomlinson, CoP, UI/Houghton at 011-27-11-642-1872 or E-mail at mtomlinson@hfrp.org.za. Questions of a contractual nature should be addressed to me at (202) 261-5396.

Sincerely,



Maria C. Andrade-Stern

Enclosures

cc: Lyn Buckley (USAID/South Africa)
Rebecca Black (USAID/South Africa)
Mary Tomlinson (UI/South Africa)
Dale Gredler (USAID Washington)
USAID Development Clearinghouse
IAC Deliverables File (06967-002)

**QUARTERLY TASK ORDER
PROGRESS AND COST
REPORT**

JANUARY TO MARCH 2003

**SOUTH AFRICA ACCESS
TO HOUSING FINANCE
FOR LOWER INCOME
HOUSEHOLDS**

Prepared for



South Africa Access to Housing Finance for Lower Income Households
United States Agency for International Development
Contract No. LAG-I-00-99-00036-00, TO No. 800

Prepared by

Mary Tomlinson
Chief of Party
The Urban Institute/South Africa

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April 2003
UI Project 06967-002

QUARTERLY TASK ORDER PROGRESS AND COST REPORT

JANUARY TO MARCH 2003

SOUTH AFRICA ACCESS TO HOUSING FINANCE FOR LOWER INCOME HOUSEHOLDS

Task Order No.: LAG-1-00-99-00036-00, Task Order No. 800

Date of Issuance: September 6, 2000

Amount Obligated Under Task Order: \$ 2,476,660

Total Potential Task Order Amount: \$ 3,771,314

Dollars Expended To-date: \$ 1,749,781

Key Personnel: Prime Contractor Contact: Mary R. Tomlinson , CoP
Contact Phone #: +27 11 642 1872
Email: mtomlinson@hfrp.org.za

Task Order Description:

In September 2000, the South African Mission of the United States Agency for International Development (USAID) contracted the Urban Institute (UI) to implement a two-year project (extended to four) to improve access to housing finance for low-income households. Specifically, the project aims to increase access to adequate housing for historically disadvantaged and lower income households in South Africa by providing better access to credit. As part of this effort, UI provides technical assistance, training and financial support to innovative initiatives by national and local governments, parastatal financial institutions, commercial financial institutions and non-governmental organizations (NGOs), that want to carry out housing finance related projects.

As required by Section F.12 of the Contract, a description of the progress under Task Order No. 800, during this quarter is set out below.

I. HIGHLIGHTS

- Prepared in-depth stakeholder reports presenting an analysis of key issues facing financiers, NGOs, developers and Social Housing Associations as an input to the national housing department's upcoming housing summit;
- Hosted a meeting of the housing finance clearinghouse;
- Prepared an annotated bibliography on low-income housing as a resource document accessible on the national department of housing's website and the housing finance resource program's website;
- Assisted the department of housing and national housing finance corporation with preparing the second draft of its community reinvestment legislation;
- Processing a number of new applications for funding (see section below);

- Jointly hosted a workshop in Durban with the Council for Scientific and Industrial Research on HSRP-funded research into relative servicing and energy consumption costs and benefits of alternative low income housing locations in urban areas; and
- Arising from its funded projects, the implementation of the 2nd year of the Wharton School/Wits P&DM Joint Housing Finance Training Course took place.

II. PROGRESS OF MAJOR ACTIVITIES

- Receiving, assessing, approving applications for contracting funding assistance. The HFRP has worked intensively this quarter to process a number of new funding applications. Project files have either been opened and/or are in various stages of processing for the following:
 - National Association of Social Housing Organizations request to fund a follow-up study to the Cope Feasibility Study on establishing hardship cover for their residents. The focus of this study will be to document the benefit of establishing an insurance fund which would cover the entire NASHO membership;
 - Preparation of a Housing Sector Overview which will be used as a resource document on the HFRP's website. The overall intent is to produce a 'one-stop overview' of South Africa's low-income housing sector, including descriptions of key housing-related processes, institutions and organizations operating in the sector;
 - Home-Fin request to fund a feasibility study into the establishment of a New Entity that will provide affordable unsecured housing credit and which will also include a new dimension, i.e. credit for home furnishings and white goods;
 - Gauteng Province request to fund a feasibility study and facilitate interaction around establishing a Kuyasa Fund-type organization to assist local communities in developing credit-linked-to-savings schemes;
 - Nurcha request to fund an detailed investigation into informal rental markets in selected areas in Johannesburg and Durban;
 - COPE Housing Association request to revive funding for the implementation of an exit payment strategy for departing cooperative members; and
 - Informal approaches by trade union representatives to consider funding several union housing finance initiatives.

III. DELIVERABLES AND REPORTS

- Reports and Occasional Papers prepared during this quarter:
 - *The Kuyasa Fund: A New Dawn for Housing Finance*, by Sophie Mills and Olivia van Rooyen;
 - *No Shortcuts: South Africa's Progress In Implementing Its Housing Policy 1994 – 2002*, by Kecia Rust;

Currently the HFRP Occasional Papers series is the only housing publication in South Africa.

IV. PROBLEMS OR DELAYS AFFECTING THE TASK ORDER PERFORMANCE

- None at this time.

V. WORK PLANNED FOR NEXT REPORTING PERIOD

- The HFRP operates as a demand-driven program, meaning housing sector organizations approach it when they feel the need for funding. Hence, on the one hand the HFRP must wait to be approached for assistance. On the other hand, the HFRP is still quite able to take steps to ensure that the focus areas set out in its Strategic Plan for 2003 are addressed. This it does through continually networking with housing sector organizations, e.g. in the next quarter the HFRP will be:
 - Hosting a workshop on the Housing Beneficiary Study;
 - Hosting a workshop for the Gauteng Province as a means of becoming familiar with the Kuyasa Fund savings-linked-to-credit model; and
 - Hosting a workshop on the outcomes of the investigation into the relative servicing costs and benefits and energy consumption implications of alternative low income housing locations.

VI. SPECIFIC ACTION REQUESTED

- None at this time.